

House Passes the American Health Care Act (AHCA) with Options for State Waivers

Thursday, April 24, House Republicans passed the American Health Care Act (AHCA). The bill was rushed to vote without due diligence: official text was presented for review only hours before the vote, there were no opportunities for the public to weigh in, and the Congressional Budget Office has not analyzed or scored the bill for its potential economic and population health impacts. If the AHCA is passed into law, it would severely limit access to healthcare. AHCA eliminates laws requiring insurers provide “[essential health benefits](#)” such as, maternity care, mental health services, and prescription drug coverage, and it removes consumer protections from catastrophic healthcare costs including the ban on annual lifetime limits, as well as the ACA’s requirement that insurers cap enrollees’ annual out-of-pocket spending. Under the AHCA states could apply to the Department of Health and Human Services (HHS) to opt out of requirements of the Affordable Care Act (ACA). AHCA jeopardizes healthcare for the 24 million Americans who receive health care cover through Medicaid, the Exchanges, and the 159 million who receive employer based coverage. ANA stands in opposition to the AHCA. The bill does not align with [ANA’s principles and priorities](#) for health care transformation.

Below is a list of the three types of waivers that states could apply for as early as January, 2018.

Waiver Types	Date to Begin	Description
<i>Waiver to raise the age ratio</i>	January 1, 2018	<p>Insurers use age rating to divide risk based on age. Current law sets the age ratio at 3:1 meaning that an older person would pay no more than 3 times that of a younger person for the same coverage. The goal of spreading premium costs across an age spectrum is to ensure affordability across the board.</p> <p>AHCA changes the age rating to 5:1 meaning that an older person could expect to pay as much as five times more than a younger person with the same coverage solely based on age. Younger people could also expect to see their premiums rise as they would be grouped with a wider, higher risk pool.</p>
<i>Waiver to permit medical health status underwriting</i>	January 1, 2019 or January 1, 2018 with special enrollment period.	<p>This waiver would permit states to allow insurers to engage in health status underwriting if certain conditions are met. Insurers could charge a 30% premium penalty to individuals who have had a lapse in health coverage for at least 63 days during the previous 12 months.</p>
<i>Waiver to establish state specific essential health benefits</i>	January 1, 2020	<p>States could eliminate “essential health benefits” and instead determine their own categories of benefits they wish to cover. States could also use this waiver to eliminate requirements for prescription drug coverage, caps on out-of-pocket spending, and the ban on annual and lifetime limits.</p> <p>States would not be required to provide a high risk pool for individuals otherwise excluded from coverage due to high status under medical underwriting.</p>